REMARKS

The present amendment is prepared in accordance with the requirements of 37 CFR 1.121.

Applicants appreciate the thoroughness with which the Examiner has examined the above-identified application. Reconsideration is requested in view of the personal interview among U.S. Patent Examiner Dang D. Le, one of the Inventors Philip Corbin III and the undersigned Counsel Steven J. Miller, Esq. conducted on November 29, 2005, the English translation of Examiner's cited Japanese prior art reference [JP 02-74146 (MASAKI) in the Final Office Action mailed April 4, 2006], the amendments above and the remarks below.

Claims 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 28 have been canceled, and claims 1 and 16, have been amended, to place them in a better form pursuant to Examiner's comments from the Interview among the Examiner, inventor Philip Corbin III and the undersigned counsel.

No new matter has been added.

CLAIM REJECTIONS – 35 USC §103(a)

1. The Examiner has rejected Claims 1, 3, 4, 6, 7, 16, 18, 19, 21 and 22 as being unpatentable over MASAKI (JP 02-074146) in view of LEHDE (US 2,807,734), because the subject invention would have been obvious, when taking MASAKI and LEHDE in combination, to one skilled in the art. The applicant respectfully traverses the Examiner's position on this issue. A careful review of the entire English translation (including detailed specification and

claims) of MASAKI which is attached hereto as Exhibit A, clearly indicates that MASAKI requires, in his patent claim (1), "... external (or large radius cylinder outer) housing is formed with a **ring-shaped magnetic body**, and (individual) **magnets** ...facing outward from the circumference of said (small radius) cylindrical or tubular body, and a conductor, disposed between these(individual) **magnets** and said **magnetic body,** that moves relative to the (individual) **magnets**"; the detailed description explaining that the **ring-shaped magnetic body** is depicted as part #3, and the (individual) **magnets** are depicted as part #6, in all of said patent's drawings. Claim (2) is identical to Claim (1), except that the magnetic elements on the two rotors are reversed; i.e. the **ring-shaped magnetic body** is mounted on the on the (small radius) cylindrical or tubular body, and the (individual) **magnets** are mounted on the external (or large radius cylinder outer) housing. Therefore MASAKI requires that **BOTH** rotary members or rotors, have permanent magnets or permanent magnetic elements on them. The present invention does not have this required element or limitation. The present invention specifically requires, through specific negative limitations, that permanent magnetic elements exist on only one of the two rotors. Therefore, since MASAKI does not have each and every limitation or element to the subject claimed invention, MASAKI does not anticipate the subject invention and therefore the subject invention is novel over MASAKI. As discussed in the aforementioned interview with the Examiner Dang D. Le on November 29, 2005, LEHDE'S claim number 1 requires a "...means attached to **one of the members** for producing a radial **magnetic field**, a ring of **permanent magnetic material connected to the other**..." and therefore requires that **BOTH** rotary members or rotors, have permanent magnets on them. This is further illustrated in LEHDE'S Fig. 1, part #14 ("...permanent magnet material...") and part #19 ("magnet"). The present invention

does not have this required element or limitation. Therefore, since LEHDE does not have each and every limitation or element to the subject claimed invention, LEHDE does not anticipate the subject invention and therefore the subject invention is novel over LEHDE. The present invention having permanent magnets on only one of the two rotating rotors is unique, was in the original application disclosure, and the claims have been amended to present this in better form.

As discussed in the aforementioned personal interview with the Examiner Dang D. Le on November 29, 2005, and as indicated the prior section above, current application is not anticipated by LEHDE, since LEHDE required permanent magnetic elements on both rotors. Likewise, since MASAKI also requires permanent magnetic elements on both rotors, the current application is not anticipated by MASAKI, and therefore, MASAKI in combination with LEHDE cannot be obvious to one skilled in the art. Since both MASAKI and LEHDE claim permanent magnets on both rotating members or rotors, they do not anticipate the applicant's invention, then, necessarily, MASAKI, in combination with LEHDE, cannot and does not teach or suggest all of the applicant's subject claim limitations to one skilled in the art; i.e. the combination necessarily teaches away from the subject invention.

Further, although LEHDE also provides a means for varying one rotors position relative to the other rotor, LEHDE's limitations require magnetic elements on both rotors as a necessary limitation together with the ability to axially position one rotor relative to the other [see LEHDE, Claim #1 "A device...**means** attached to one of the (rotating) members for **producing** a radial **magnetic** field, a ring of **permanent magnetic material** connected to the other of said (rotating) members..."; consequently LEHDE not only does not suggest, but specifically teaches away, both individually, and in combination with MASAKI, from the subject invention; said subject

applicant's invention specifically not requiring, by specific negative limitation, any permanent magnetic elements on both rotors, along with the ability for one rotor to move relative to the other. Therefore, considering the current application as a whole when compared to MASAKI and LEHDE, it would not have been obvious to one skilled in the art at the time of the filing of the application to include a means to vary the axial position of one rotor to the other **together with** one rotor of the two rotors not having any permanent magnetic elements, as the current application specifically claims by negative limitation in independent claims #1 and #16.

2. The Examiner has further rejected Claims 14 and 29, as being unpatentable over MASAKI in view of LEHDE and further in view of JACOBS (US 3,113,229) because the subject invention would have been obvious, when taking MASAKI, LEHDE and JACOBS in combination, to one skilled in the art. The applicant herein respectfully traverses the Examiner's position on this issue. As discussed in the aforementioned personal interview with the Examiner Dang D. Le on November 29, 2005, and as indicated the prior section above, current application is not anticipated by MASAKI or LEHDE, therefore, JACOBS in combination with MASAKI and LEHDE cannot be obvious to one skilled in the art. As stated above, both MASAKI and LEHDE require that permanent magnetic elements be on **both** rotors, but the subject application requires permanent magnetic elements on only one rotor [see claims #1 and #16 herein]. Further, JACOBS, like MASAKI and LEHDE, also requires permanent magnetic elements on both rotors [see part #23 **(magnetic) "field"**, and part #16 "**magnetic** inductor body" of "ferro**magnetic**" material (Claim #1)], while the subject application does not. Further JACOBS does not show its rotary member's electro-conductive material's circumferential ladder geometry being divided

into a plurality of electrically independent segmented arcs, mounted on said rotary member's cylindrical surface. Rather JACOBS suggests that its electro-conductive material is entirely circumferentially connected through **solid**, and **not segmented**, "end rings" [see part #24]. In claim #'s 14 and 29, the subject application claims that its electro-conductive elements may be electrically separated from one another in arc groupings, by having "non-continuous" 'end-rings'. JACOBS does not suggest this physical and electrical arrangement for its electro-conductive elements. Therefore, considering the current application as a whole when compared to MASAKI and LEHDE, it would not have been obvious to one skilled in the art at the time of the filing of the application to include in its rotary member's electro-conductive material's circumferential ladder geometry being divided into a plurality of electrically independent segmented arcs, mounted on said rotary member's cylindrical surface. **together with** one rotor of the two rotors not having any permanent magnetic elements, as the current application specifically claims by negative limitation in independent claims #1 and #16.

IV. CONCLUSION

Attached hereto is a marked-up version of the changes made to the currently amended claims. The attached page is captioned "**VERSION WITH MARKINGS TO CURRENTLY AMENDED CLAIMS TO SHOW CHANGES MADE**".

It is noted that the amendments are made only to place them in a better form. No new matter has been added.

It is respectfully submitted that the application has now been brought into a condition where allowance of the case is proper, and issuance of a Notice of Allowance is requested. Entry

of the amendments herein is hereby respectfully requested as well as reconsideration of those claims not cancelled, based on the full English translation of MASAKI attached hereto and the related arguments herein.

Should the Examiner find the application to be other than in condition for allowance, Applicant's Attorney respectfully requests that the Examiner call the undersigned to clarify any issue and/or enter the amendment for the purposes of appeal.

Respectfully Submitted,

Date: Monday June 5, 2006

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I hereby certify that this correspondence, including the attachments listed on the accompanying Transmittal, is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service on the date indicated above and is addressed to the Commissioner of Patents, Mail Stop Amendment, PO Box 1450, Arlington, VA 22313-1450.

Steven J. Miller, Esq. (PTO # 48368)
(Typed or printed name of person mailing paper or fee)

(Signature of person mailing paper or fee)

VERSION WITH MARKINGS TO CURRENTLY AMENDED CLAIMS TO SHOW CHANGES MADE

CLAIMS:

What is claimed is:

1. (Currently Amended) An apparatus for transferring torque magnetically comprising:

a primary torque driving rotary member and a secondary driven rotary member;

the primary rotary member axially overlapping said secondary rotary member;

the secondary rotary member being surrounded by said primary member;

the primary rotary member~~, and not the secondary rotary member,~~ having permanent magnets mounted on it;

the secondary rotary member having electro-conductive elements and magnetically permeable materials, but not having permanent magnets or other permanent magnetic elements;

said secondary rotary member axially overlapped by said primary rotating member

wherein a means for varying said primary rotary member's axial position relative to said secondary rotating member is provided; and

said primary rotating member being connected to and driven by a torque producing device and said secondary rotating member being connected to a torque utilizing device whereby rotation of the primary rotary member causes rotation of said secondary rotating member by some or all of the magnetic flux lines emanating from said permanent magnets

mounted on said primary rotating member cutting through the electro-conductive material on said secondary rotary member thereby generating torque and rotation in said secondary rotary member in relation to the percentage of the total area that said secondary rotary member is axially overlapped by said primary rotary member.

16. (Currently Amended) An apparatus for transferring torque magnetically comprising:

a primary torque driving rotary member and a secondary driven rotary member;

the primary rotary member axially overlapping said secondary rotary member;

the secondary rotary member being surrounded by said primary member;

the primary rotary member having electro-conductive elements and magnetically permeable materials, but not having permanent magnets or other permanent magnetic elements;

the secondary rotary member~~, and not the primary rotary member,~~ having permanent magnets mounted on it;

said secondary rotary member axially overlapped by said primary rotating member

wherein a means for varying said primary rotary member's axial position relative to said secondary rotating member can be varied; and

said primary rotating member being connected to and driven by a torque producing device and said secondary rotating member being connected to a torque utilizing device whereby rotation of the primary rotary member causes rotation of said secondary rotating member by some or all of the magnetic flux lines emanating from said permanent magnets

mounted on said primary rotating member cutting through the electro-conductive material on said secondary rotary member thereby generating torque and rotation in said secondary rotary member in relation to the percentage of the total area that said secondary rotary member is axially overlapped by said primary rotary member.